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22 November 1955

MEMORANDUM FOR: Chief, Intelligence Information Staff

ATTENTION:

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FROM: Chief, Materials Division

SUBJECT: Proposed Exchange of Visits Between the USSR and the US

REFERENCE: 16 November 55 request for above

1. Relative Priority within Materials Division Interests

Using net gain to US intelligence as the criteria, exchange visits in the Chemical field and the Nonferrous Metals field would be among the most profitable to the US. For the fields of Petroleum and Ferrous Metals, the net gain is less great but these fields do, nevertheless, promise some appreciable gain. Although the net gain to the US is real in the field of Electric Power, it is of smaller magnitude than in the above mentioned fields. For Solid Fuels, the net gain, though in favor of the US, would be even smaller. Agriculture has been excluded from consideration in this rating since it is known that its value has been established and that future exchanges are already being arranged.

It has been assumed that the USSR delegations visiting the US would gain little specific information not currently available in the open literature. However, there is additional information categorized as "trade secrets" which should be released to the USSR only on a very carefully evaluated quid pro quo basis, if at all. Visits to plants or portions of plants where careful observation might elicit such information should be carefully circumscribed. The opinion of the pertinent ORR Branches as well as that of the plant owners should be of considerable value in determining the desirability of such proposed exchanges of specific information. The distinction between openly available information and trade secrets is most significant for the Chemical and Nonferrous Metals Industries, and of minor importance in the other industries discussed herein. In short, the net over-all gain to the US would be less demonstrable or even absent if the Russians acquired access to trade secrets. The net intelligence gain, by contrast, would remain substantial.

2. Some General Considerations Applicable to All Exchanges of Delegations are as follows:

a. Time -- In all cases except agriculture the exact time of the visit does not affect the possibility of getting information. However, the more moderate seasons facilitate both travel and observation.

Further, many of the suggested US delegates have other commitments, and since the success of the exchange rests on obtaining the most competent US delegates, it is essential that their wishes regarding time be given all possible consideration.

b. Length -- In all cases a minimum stay in the USSR of about a month has been proposed, based on an allowance for both travel time within the country and the seemingly inevitable but rather unprofitable official dinners and other ceremonial events.

c. Fields -- In every field a strong case is made for trying to obtain statistical and other pertinent data from the USSR comparable to that which is available in open US literature in the field in question. This material should preferably be available some time prior to the actual visits. Included in this category are definitions and the statistical techniques and procedures necessary to interpret data currently released by the USSR.

d. US Participants -- In most cases it would be desirable to have the appropriate US trade or industry association select the US delegates. However, it is most desirable that cleared CIA consultants be included among the delegates in every field, and this is believed to be feasible.

The entire delegation in every field should be briefed to the maximum extent allowed by security restrictions and any cleared or clearable delegates should receive additional briefing regarding specific intelligence interests. As a very minimum an unclassified briefing explaining differences between US and USSR practices and organization in the field in question and fitting that field into the broader economic and political structure of the USSR would provide the delegates with a useful perspective prior to their departure. Plans should include time for comprehensive de-briefing as soon after return as practicable, with separate de-briefing of the cleared delegates.

Experience with the Agriculture Delegation in 1955 indicated that the delegations should be held to the smallest practical size.

Note: In many cases the suggested US delegates are consultants of ORR or are close acquaintances of ORR personnel. It is strongly urged that none of them be contacted without prior specific consultation with the ORR Branches. Direct contact by other CIA components has in certain past cases seriously prejudiced the possibility of their cooperation.

e. Gain to US -- Any new information of a statistical nature would be a gain to US intelligence. Other expected gains are cited in the attachments.

An increased realization by US industry of the significantly high level of technology and production achieved in many fields by the USSR would be a gain to the US. Since most of the US delegates would be industry representatives influential in US circles, their actual observation of USSR industry would inevitably contribute to this end. This should add to the "informed electorate" guiding US policy.

f. Net gain -- Although most US technology is readily available to the USSR, some of its potential value to the USSR may have been underestimated. Actual observation of its successful application in US industry might be a spur to its further application in the USSR. The USSR would also stand to gain knowledge of the precise techniques necessary in applying openly available technology.

When these general gains are balanced against the increase in our specific knowledge of USSR industries, it is believed that the net gain is to the US.

g. Attached are specific proposals in all Materials Division fields except Agriculture. A memorandum, subject "Proposed Basis for Agricultural Delegation Exchange Program between the USSR and the United States," drawn in answer to another requirement, was forwarded to you in two copies on 21 November 1955.

h. Please note that in all cases we are presenting preliminary proposals drawn up rather hurriedly by the Branches. The Division will appreciate the time and opportunity to submit more exact and detailed proposals in any fields where actual negotiations with the USSR seem on the verge of success.

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Enclosures:

Separate Exchange Proposals for M/CH, M/EP, M/FM,
M/NF, M/P, M/S

Distribution:

7 -- St/I/R
1 -- Ch/E
14 -- 2 per D/M Br.
13 -- D/M

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CHEMICALS BRANCH

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6. US gain --

These fields considered collectively account for the greatest gaps in intelligence on the USSR chemical industries. The successful operation of mechanical equipment, especially military material, under extreme climatic conditions, indicates that the USSR is successfully producing a wide variety of chemical products in these categories, but we have no

CHEMICALS BRANCH

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knowledge of what they are or in what quantities they are produced. Plastics, for example, are essential for insulating electric and electronic components, especially for military use. A tour of a number of these facilities would inevitably fill some of these gaps.

7. Net gain --

As far as we know, the US has a large lead in the technology used in manufacturing these chemicals. Any tour by USSR delegates of US plants in these categories would result in their gaining much valuable information. An evaluation of net gain would depend on a detailed comparison of the plants to be visited and the information to be released by both sides.

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ELECTRIC POWER BRANCH

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Transmission Lines

1. To inspect facilities for transmission of power from any of the above stations.

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6. US Gain --

Information on the rate of progress on some of the giant projects, and on the development of the national transmission network. The intelligence gain should permit refinement of many current estimates in this field. Further, especially in the field of high voltage transmission, the USSR has attempted a number of innovations never believed to be practical in this country and information on their success would be of technical value.

7. Net Gain --

Since all US data on electric power is openly published and readily available, any information gain by the US would be net profit. There is a history of previous exchanges in this field with Sweden, France, and Austria and plans for a visit by representatives of the Economic Commission for Europe. M. G. Pervukhin, Deputy Premier, and formerly Minister of Electric Power Stations, in an interview on 3 November 1955, "...advocated a greater exchange of visitors between the Soviet Union and the United States, especially engineers." It is repeated that neither the probable gain to US industry nor to US intelligence is of overwhelming value.

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FERROUS METALS BRANCH

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Research Organizations

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6. US Gain --

An across the board refinement of assessments of this industry, including level of technology, labor productivity, quality of product, and product mix. In the case of alloying metals, considerably less is known and the gains would be proportionately greater. Information on steel finishing technology and equipment is another relatively important gap which could be closed. With reference to possible gains by US industry, the USSR has had a broader experience in the use of oxygen and high top pressures to speed the iron and steel making processes and US industry would be interested in a first hand appraisal of their success. Their experience in specialized alloys using relatively abundant materials would also be of interest.

7. Net Gain --

The net gain from the intelligence standpoint would clearly be to the US in view of the great disparity in published information in the two countries. Information on products or processes currently classed in this country as "trade secrets" would undoubtedly be withheld by each party.

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NONFERROUS METALS BRANCH

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5. Destinations -- (Will be furnished if requested subsequently)

6. US Gains --

The minimum gain would be accurate locations and estimated capacity for the facilities visited. Copper particularly appears to be in short supply and better estimates of production would help clarify a potential vulnerability of the economy. In addition, an exchange would give information on processes used, level of technology, and other such useful intelligence. It is doubted that the US would gain any new technological information from the USSR in these fields.

7. Net Gain --

Because of the amount of information currently held as trade secrets, an appraisal of net gain would necessarily await an examination of the detailed proposals.

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PETROLEUM BRANCH

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6. US Gain --

The major US gain would be in a first hand appraisal of the level of technology achieved by the USSR petroleum industry. There is almost no technology in the field which is not held in common, but our knowledge of how much modern technology they are in fact applying is inexact. An exchange should permit more precision in many of our estimates.

7. Net Gain --

Since there is almost nothing on the US petroleum industry which is not in open literature, any gain by the USSR from a visit here would be relatively marginal. Because there is so much not published by the USSR on its petroleum industry, the net gain would inevitably be to the US.

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SOLID FUELS BRANCH

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6. US Gains --

In intelligence, additions to our store of statistical and technical information.

In general, possibly new techniques for coal preparation, blending for coking, and underground gasification.

7. Net Gain --

With all US info published, any net gain would be to the US. However, since the number of mines is so large and their operations so varied, it is doubtful that a delegation could bring back information based on observation which would add significantly to the intelligence picture. Additional statistical data would be welcomed, but securing it is not necessarily predicated on an exchange of delegations.

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